

# RAILROAD COMMISSION OF TEXAS

BARRY T. SMITHERMAN, *CHAIRMAN*  
DAVID PORTER, *COMMISSIONER*  
CHRISTI CRADDICK, *COMMISSIONER*

**INTERNAL**  
OIL AND GAS DIVISION  
RAMON FERNANDEZ JR., P.E., DEPUTY DIRECTOR

## MEMORANDUM

**TO:** Chairman Barry T. Smitherman  
Commissioner David Porter  
Commissioner Christi Craddick

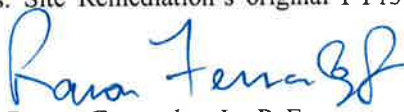
**FROM:** Ramon Fernandez, Jr., P. E.  
Deputy Director, Oil & Gas Division

**DATE:** March 26, 2013

**SUBJECT:** Well Plugging and Site Remediation Fiscal Year 2013, 1<sup>st</sup> Quarter Report

**Well Plugging:** The 2<sup>nd</sup> quarter well plugging performance includes 158 wells plugged with Oil and Gas Regulation and Cleanup (OGRC) funds. This includes wells for which the state-funded plug files have been formally closed in Austin. The fiscal year-to-date total is 245 wells plugged with OGRC funds. The number of wells physically plugged during FY 13, through the end of the 2<sup>nd</sup> quarter, based on the daily field reports is 312 with a total expenditure of \$13,273,530. Additionally, during the 2nd quarter 132 wells were approved for plugging with state funds for a year-to-date total of 423 wells. At the end of the 2<sup>nd</sup> quarter, 1,232 wells were approved and remain to be plugged. During FY 13 bids have been prepared on 797 wells, of which 312 have been plugged, contracts have been awarded for 474 wells, and bids remain to be opened on 11 wells. The well plugging goal for fiscal year 2013 is 815 wells. The actual wells plugged and expenditure by district for fiscal years 2011, 2012 and 2013 and the well plugging goals and budgets by district for fiscal year 2013 are shown on the attached graphs. The fiscal year 2013 total budget of \$22,433,872 includes a base budget of \$18,933,872 plus \$3,500,000 for the ten (10) well Corpus Christi Bay project paid for with FY 2012 funds. The files were closed and expenditures reported in FY 2013.

**Site Remediation:** During the 2nd quarter Site Remediation completed and formally closed 62 cleanup activities, of which 61 were completed with the use of OGRC funds and 1 was completed with the use of grant funds. Additionally, during the 2nd quarter 60 cleanup activities were authorized and at the end of the 2nd quarter a total of 99 cleanup activities are authorized and remain to be completed. Site Remediation has completed and formally closed a total of 90 cleanup activities during the fiscal year, of which all 89 were completed with the use of OGRC funds and 1 was completed with the use of grant funds. The actual remediation activities and expenditure by district for fiscal years 2011, 2012, and 2013 and the goals and budgets for the Site Remediation activities by district for fiscal year 2013 are shown on the attached graphs. Site Remediation's original FY13 budget approved by the Commission on November 6, 2012, was \$2,690,968.

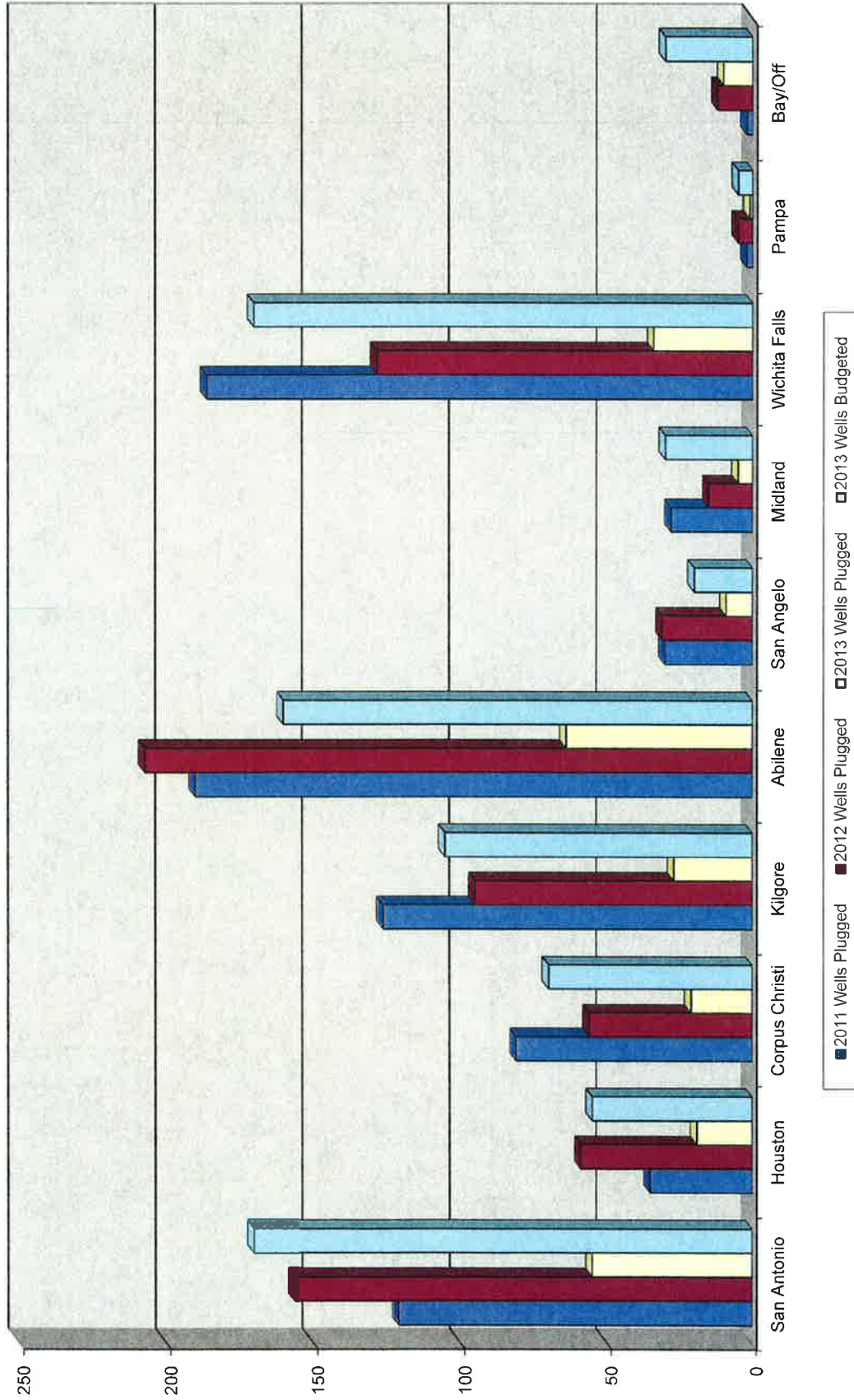
  
Ramon Fernandez, Jr., P. E.  
Deputy Director, Oil & Gas Division

KCW  
Attachments:

cc Milton Rister, Executive Director  
Gil Bujano, P. E., Director, Oil & Gas Division  
Peter G. Pope, P.G., Assistant Director, Site Remediation

# Field Operations/Well Plugging Oil Field Cleanup Program Wells Plugged

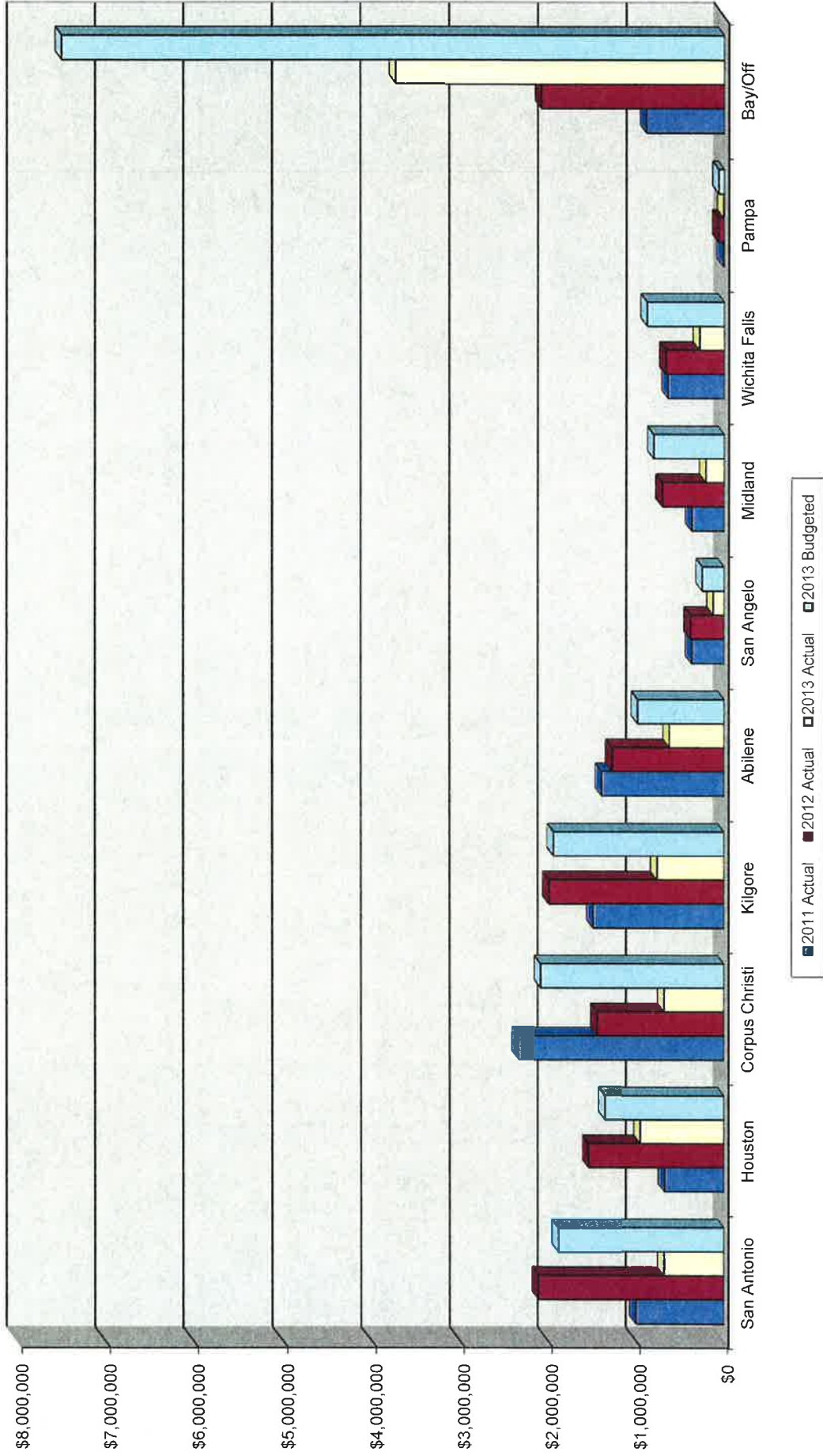
**FY 11 Actual, FY 12 Actual, FY 13 Actual, FY 13 Budgeted**



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
<b>2011 Wells Plugged</b>	121	35	81	126	190	30	28	186	2	2	801
<b>2012 Wells Plugged</b>	156	59	56	95	207	31	15	128	5	12	764
<b>2013 Wells Plugged</b>	55	19	21	27	64	9	5	34	1	10	245
<b>2013 Wells Budgeted</b>	170	55	70	105	160	20	30	170	5	30	815

# Field Operations/Well Plugging Oil Field Cleanup Program Expenditures

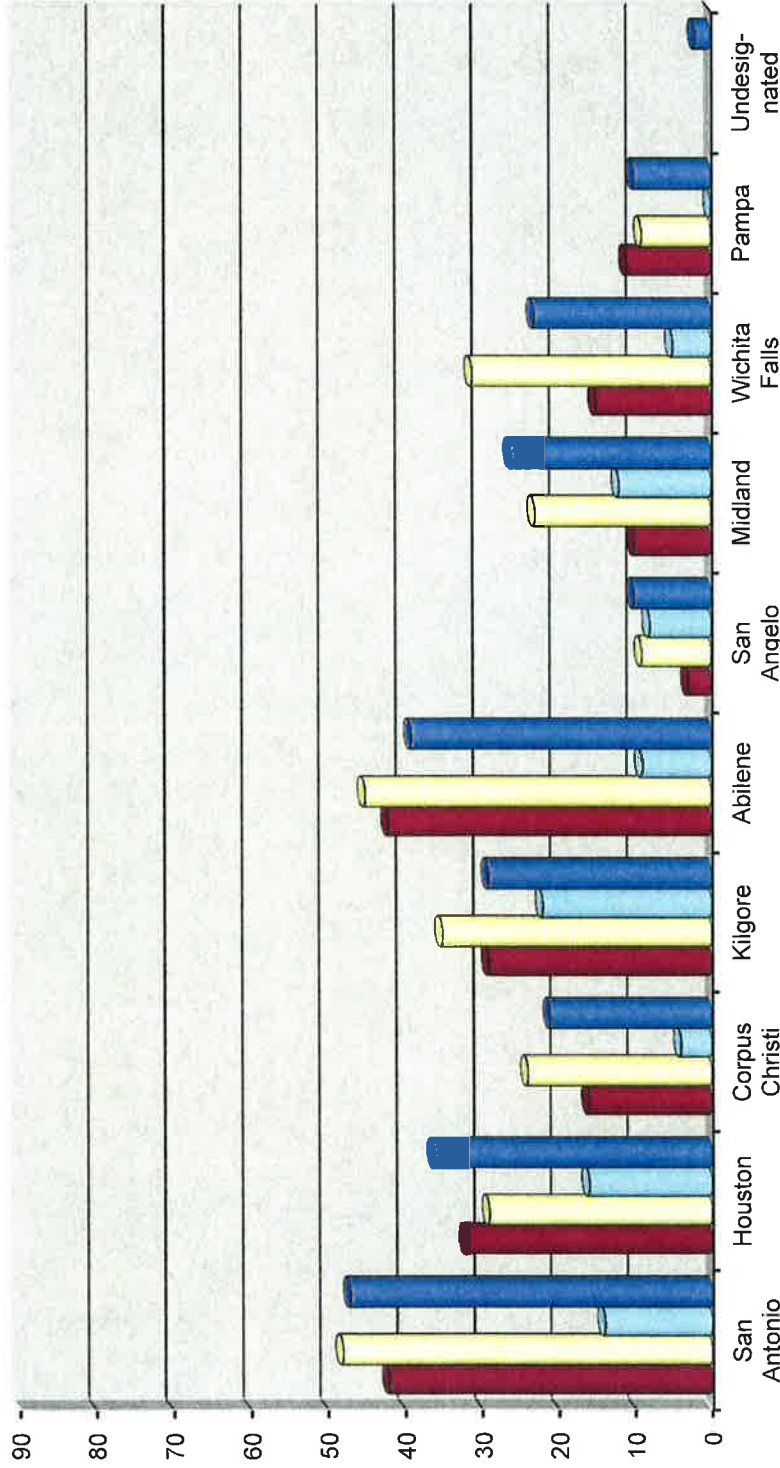
**FY 11 Actual, FY 12 Actual, FY 13 Actual, FY 13 Budgeted**



■ 2011 Actual   ■ 2012 Actual   ■ 2013 Actual   ■ 2013 Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Bay/Off	Statewide
<b>2011 Actual</b>	\$1,004,941	\$683,182	\$2,338,455	\$1,494,651	\$1,397,643	\$375,658	\$375,390	\$646,793	\$14,300	\$891,382	\$9,222,395
<b>2012 Actual</b>	\$2,109,235	\$1,546,182	\$1,450,311	\$1,995,664	\$1,281,709	\$388,909	\$710,908	\$675,763	\$68,876	\$2,081,920	\$12,309,477
<b>2013 Actual</b>	\$689,875	\$957,335	\$690,262	\$769,610	\$630,241	\$126,385	\$211,980	\$284,362	\$7,542	\$3,723,661	\$8,091,253
<b>2013 Budgeted</b>	\$1,887,000	\$1,363,450	\$2,089,370	\$1,942,500	\$992,000	\$252,046	\$810,000	\$884,000	\$65,000	\$7,500,000	\$17,785,366

**Site Remediation  
Oil Field Cleanup Program  
Activities Completed/Projected  
FY 11 Completed, FY 12 Completed, FY 13 Budgeted  
(as of 2/28/2013)**

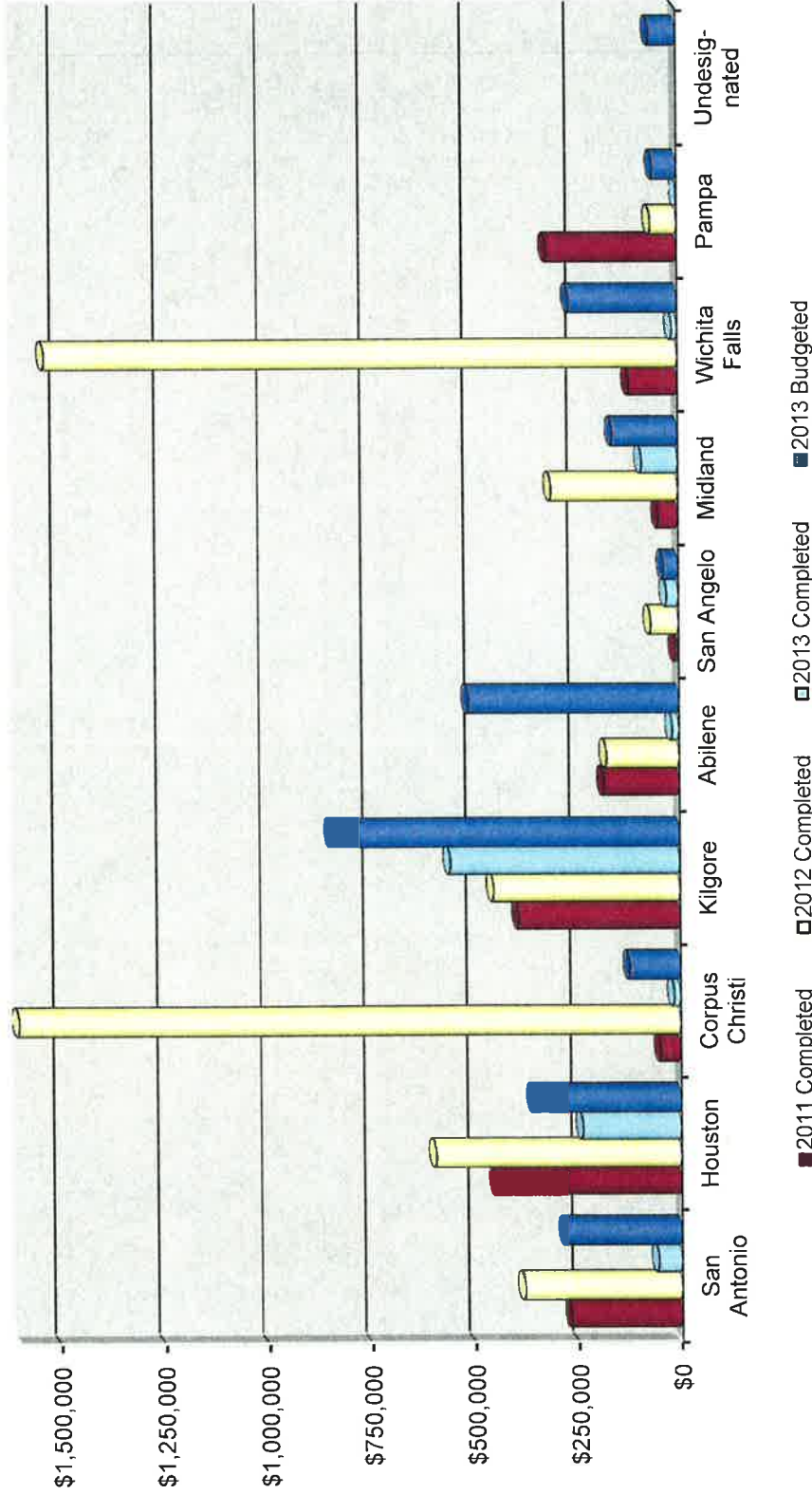


■ 2011 Activities Completed    □ 2012 Activities Completed    ■ 2013 Activities Budgeted

	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
<b>2011 Activities Completed</b>	42	32	16	29	42	3	10	15	11		200
<b>2012 Activities Completed</b>	48	29	24	35	45	9	23	31	9		253
<b>2013 Activities Completed</b>	14	16	4	22	9	8	12	5	0		90
<b>2013 Activities Budgeted</b>	47	36	21	29	39	10	26	23	10	2	243

**Site Remediation  
Oil Field Cleanup Program  
Expenditures**

**FY 11 Completed, FY 12 Completed, FY 13 Completed, FY 13 Budgeted  
(as of 2/28/2013)**



	San Antonio	Houston	Corpus Christi	Kilgore	Abilene	San Angelo	Midland	Wichita Falls	Pampa	Undesignated	Statewide
<b>2011 Completed</b>	\$267,719	\$447,237	\$48,220	\$389,099	\$182,462	\$7,462	\$47,406	\$118,355	\$314,551		\$1,822,511
<b>2012 Completed</b>	\$380,429	\$590,833	\$1,724,741	\$449,676	\$176,337	\$67,490	\$306,512	\$1,531,216	\$64,161		\$5,291,395
<b>2013 Completed</b>	\$56,502	\$237,979	\$14,976	\$553,859	\$16,780	\$28,880	\$87,762	\$13,054	\$0		\$1,009,791
<b>2013 Budgeted</b>	\$283,230	\$358,384	\$122,040	\$842,350	\$507,179	\$35,200	\$158,625	\$261,360	\$57,700	\$64,900	\$2,690,968